

**ILLINOIS COMMERCE COMMISSION**

**DOCKET NO. 01-0709**

**DIRECT TESTIMONY**

**OF**

**THOMAS M. GOLDEN**

**Submitted on Behalf**

**Of**

**UNION ELECTRIC COMPANY**

**d/b/a AmerenUE**

**April 2002**

Illinois Commerce Commission	)	
	)	
On Its Own Motion	)	
	)	
vs.	)	Case No. 01-0709
	)	
Union Electric Company		
d/b/a AmerenUE	)	
	)	
Reconciliation of revenues collected under	)	
Gas adjustment charges with actual costs	)	

STATE OF MISSOURI )  
CITY OF ST. LOUIS ) SS

1. My name is Thomas M. Golden. I am Supervisor of the Fuel Accounting Section of Ameren Services.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony consisting of 4 pages and attached Schedule TMG-1 through TMG-2, inclusive, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Subscribed and sworn to before me this 2nd day of April, 2002.

**CAROL A. HEAD**  
**Notary Public - Notary Seal**  
**STATE OF MISSOURI**  
**St. Charles County**  
**My Commission Expires: Sept. 23, 2002**

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 01-0709

DIRECT TESTIMONY OF THOMAS M. GOLDEN

UNION ELECTRIC COMPANY d/b/a AmerenUE

1 Q. Please state your name and business address.

2 A. My name is Thomas M. Golden. My business address is 1901 Chouteau Avenue, St. Louis,  
3 Missouri.

4 Q. By whom are you employed and in what capacity?

5 A. I am the Fuel Accounting Supervisor in the Accounting Department of Ameren Services  
6 Company, a service company affiliate of Union Electric Company which does business as  
7 AmerenUE. My responsibilities include direct supervision of the accounting for AmerenUE's  
8 inventories of fuel, including natural gas and propane. I am also responsible for the calculations  
9 necessary to implement the Company's Illinois Uniform Purchased Gas Adjustment Clause  
10 ("PGA").

11 Q. Please describe your educational background and work experience.

12 A. I received a Bachelor of Arts degree in Business Administration from Central Methodist  
13 College in May 1969. I received a Masters in Business Administration from Webster University in  
14 May 1992. I was employed by Union Electric in June 1969 and held several positions as an  
15 accountant in the various departments of the Controller's function. For 11 years I served as a  
16 billing supervisor in the Customer Accounts Department. I was appointed to my present position of  
17 Fuel Accounting Supervisor in November 1996 and to the same position with Ameren Services  
18 Company upon completion of the Union Electric/CIPSCO Inc. merger in December 1997.

1 Q. What is the extent of your participation in this docket?

2 A. This docket is the twenty-fourth annual reconciliation proceeding related to AmerenUE's  
3 Illinois PGA. The Commission, in its Order in this docket dated November 7, 2001, has required  
4 AmerenUE to reconcile its total cost of gas with the recovery of such costs through the monthly  
5 filing of schedules associated with its PGA. My direct responsibility in this case is to describe the  
6 development of monthly PGA filings and how the data developed for the reconciliation of the  
7 Company's total gas costs compares with its PGA recoveries for the twelve-month reconciliation  
8 period ending December 31, 2001.

9 Q. Please describe the procedures you and your department follow in producing and filing the  
10 Company's monthly PGA submittal to the Commission.

11 A. The monthly PGA is calculated using the Company's reports for sales and estimated  
12 unbilled volumes. Purchased gas costs are compiled by Ameren Services' Gas Supply Department  
13 in worksheet form. Appropriate sales volumes and costs are extracted and used in spreadsheets  
14 filed as Schedules I, II, or III. The "actual" revenues reported in the Schedules are estimated based  
15 on actual rates for billed and estimated unbilled volumes. The schedules are then sent to the  
16 Commission and its Staff. Supporting documentation is also included in the monthly filing for any  
17 refunds to be initiated.

18 Q. Please describe the procedures followed in producing and filing the Company's annual  
19 PGA reconciliation.

20 A. The "costs" portions of the annual reconciliation are taken from worksheets supplied by  
21 Ameren Services' Gas Supply Department. PGA revenues are calculated from Company reports.  
22 Adjustments are made for cycle billing (unbilled volumes) and Company use.

1 Q. Are you sponsoring schedules to your direct testimony to show the reconciliation of total  
2 gas costs?

3 A. Yes, in compliance with 83 Ill. Admin. Code 525 (Uniform PGA Clause), I have prepared  
4 Schedule TMG-1 to show the recovery of the AmerenUE's total allowable gas costs over the  
5 twelve-month reconciliation period ending December 31, 2001

6 Q. Please describe Schedule TMG-1 to your testimony.

7 A. Schedule TMG-1 identifies all components of the annual reconciliation in one document.  
8 Each tariffed gas cost component is individually identified and a total is provided. Workpapers  
9 supporting this Schedule have been provided to the Commission Staff in response to data requests.

10 Q. Was Schedule TMG-1 prepared on the same basis and in the same manner as the  
11 comparable schedule from the previous annual PGA reconciliation case covering the twelve-month  
12 period ending December 31, 2000?

13 A. Yes, it was.

14 Q. You stated above that an adjustment was made for cycle billing. Please describe how the  
cycle billing adjustment was calculated.

16 A. The Company bills its customers by billing districts, or cycles, which do not coincide with  
calendar months. Therefore, while we will deliver gas to a customer on December 31, that  
18 customer will not be billed for that gas until that customer's normal billing cycle which may be as  
19 much as 30 days later. Since the Company purchases gas on a calendar month basis, a correction  
20 for cycle billing and monthly gas costs must be performed. To reconcile costs with PGA revenues  
21 for the reconciliation period, January 1, 2001 through December 31, 2001, a calculation is made at  
22 the beginning of the period and at the end of the period to obtain PGA revenues associated only

1 with the costs incurred during the calendar year reconciliation period. The cycle billing adjustment  
2 is included in line 6 of Schedule TMG-1 to my testimony.

3 Q. Are you sponsoring any other schedules to your testimony?

4 A. A. No.

5 Q. Were the revenue and cost data presented in the Schedules to your testimony audited by an  
6 independent auditor?

7 A. Yes. PricewaterhouseCoopers LLP audited AmerenUE's records and a copy of their audit  
8 report is attached to my testimony as Schedule TMG-2.

9 Q. Does this conclude your testimony?

10 A. Yes, it does.

UNION ELECTRIC COMPANY

Reconciliation of Purchased Gas Adjustment Clause  
for the Twelve Months Ended December 31, 2001

<u>Line</u>		<u>COMMODITY</u>	<u>DEMAND</u>	<u>TPC</u>	<u>Total</u>
1	Unamortized Balance as of 12/31/2000 Per 2000 Reconciliation	\$ 499,463	\$ -	\$	\$ 499,463
2	Factor A Adjustments Amortized to Schedule 1 at 12/31/00	140,996	(383,405)	82	(242,327)
3	Factor O Collected/(Refunded) During 2001	<u>9,754</u>	<u>22,008</u>		<u>31,762</u>
4	Balance to be Collected/(Refunded) During 2001 from prior periods (sum of lines 1 - 3)	650,213	(361,397)	82	288,898
5	2001 Gas Costs	10,258,562	2,486,051	-	12,744,613
6	2001 PGA Revenues	(9,938,422)	(2,218,929)	149	(12,157,202)
7	Pipeline Surcharges/(Refunds)	-	-	-	-
8	Other Adjustments (Rounding)	(3)	-	-	(3)
9	Interest	<u>20,887</u>	<u>(549)</u>	<u>-</u>	<u>20,338</u>
10	2001 Under/(Over) Recovery (sum of lines 5 - 9)	341,024	266,573		607,746
11	Under/(Over) Recovery balance at 12/31/00 (line 4 + line 10)	991,237	(94,824)	231	896,644
12	Factor A Adjustments Amortized to Schedule 1 at 12/31/01	532,130	(94,824)	231	896,644
13	Unamortized Balance at 12/31/01	459,107			459,107
14	Requested Factor O (line 11 - line 12 - line 13)				

## **AmerenUE**

**Schedule of Recoverable Gas Costs  
and Gas Charge Revenues  
For the Year Ended December 31,  
2001**



PricewaterhouseCoopers LLP  
800 Market Street  
St. Louis MO 63101  
Telephone (314) 206 8500

**Report of Independent Accountants**

To the Board of Directors of  
Ameren Corporation

We have audited the accompanying schedule of recoverable gas costs and gas charge revenues of AmerenUE for the year ended December 31, 2001. That schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on that schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

The accompanying schedule was prepared in conformity with the accounting practices prescribed by the Illinois Purchased Gas Adjustment Rider ordered by the Illinois Commerce Commission, as described in the accompanying notes to schedule, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the accompanying schedule presents fairly, in all material respects, recoverable gas costs and gas charge revenues in accordance with the accounting practices presented in the Illinois Purchased Gas Adjustment Rider, as described in the notes to schedule, for the year ended December 31, 2001.

This report is intended solely for the information and use of the Board of Directors and management of Ameren Corporation and the Illinois Commerce Commission and is not intended to be and should not be used by anyone other than these specified parties.

*PricewaterhouseCoopers LLP*

March 18, 2002

**Schedule of Recoverable Gas Costs and  
Gas Charge Revenues  
For the Year Ended December 31, 2001**

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**Recoverable gas costs:**

Commodity costs	\$ 10,258,562
Demand costs	2,486,051
Other costs/(refunds), net	<u>20,335</u>
	12,764,948

**Gas charge revenues**

<u>12,157,202</u>
<u>\$ 607,746</u>

The accompanying notes are an integral part of the Schedule.

**Notes to Schedule  
For the Year Ended December 31, 2001**

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Docket No. 01-0709  
Schedule TMG-2

**Basis of Presentation**

In accordance with 83 Ill. Admin. Code 525, the accompanying schedule presents the difference between recoverable gas costs and gas charge revenues arising from application of company's schedule of rates contained in its Illinois Purchased Gas Adjustment Rider in effect during the year ended December 31, 2001. The accompanying schedule is presented on the accrual basis of accounting and excludes reconciliation balances from prior years.

**Recoverable Gas Costs**

Commodity costs represent the costs of gas purchased for resale and withdrawn from storage during the year. Demand costs represent the costs of storage and transportation of gas. Other costs/(refunds), net, includes pipeline surcharges and refunds, interest costs and other non-commodity direct costs.

Recoverable gas costs excludes the estimated cost of gas used by the company for internal purposes.

**Gas Charge Revenues**

Gas charge revenues represent revenues billed to customers during the year resulting from application of the schedule of rates contained in the company's Illinois Purchased Gas Adjustment Rider. Gas charge revenues also includes a cycle billing adjustment based on the difference between prior year-end and current year-end unbilled gas revenues.